

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
FREE SPEECH SYSTEMS LLC,	§	Chapter 11 (Subchapter V)
	§	
	§	Case No. 22-60043 (CML)
	§	
Debtor.	§	Jointly Administered

**SUPPLEMENT TO SUBCHAPTER V TRUSTEE’S INITIAL FINDINGS
OF FREE SPEECH SYSTEMS, LLC INVESTIGATION**
[Related to Docket Nos. 549 & 550]

Melissa Haselden, the subchapter V trustee (the “Trustee”) in the above captioned case hereby files this supplement (“Supplement”) to the Subchapter V Trustee’s Initial Findings of Free Speech Systems, LLC Investigation filed with the Court on April 4, 2023 (“Trustee’s Report”). This Supplement is filed to provide the Court with an update on issues raised in Trustee’s Report and to highlight additional issues currently under investigation.

I. Updates

Bitcoin/Cryptocurrency Update – Trustee previously reported that prior to the Petition Date, FSS received \$7,547,141.61 in Bitcoin/cryptocurrency donations (the “Bitcoin Donations”). These donations were made through the InfoWars website and into a digital wallet owned by Alex Jones¹. Financial advisors for Mr. Jones provided proof that \$6,625,000 of the proceeds from the sale of the Bitcoin were deposited into FSS bank accounts. The dedication of the remaining \$922,141.61 continued to be under investigation.

Following the filing of the Trustee’s Report, Mr. Jones asserted that the Bitcoin Donations were his property, not FSS. The basis for the position is the fact that the funds were deposited in Jones personal digital wallet². Mr. Jones asserts that the \$6,625,000 in Bitcoin Donations were his funds and were remitted to FSS as an equity contribution. Further, Mr. Jones has indicated that he accounted for the sale of the Bitcoin/cryptocurrency as personal income/loss on his tax return. As further discussed below, ownership of the Bitcoin Donations remains an open and disputed issue.

Although Mr. Jones claims that the Bitcoin Donations are his property, Mr. Jones’ financial advisors have reconciled the donations and determined that a substantial amount of the funds were either remitted directly to FSS or utilized for the benefit of the company. In addition to the

¹ Upon information and belief, Mr. Jones digital wallet was historically maintained by employees of FSS, not Mr. Jones.

² The CRO stated that he was informed that Bitcoin Donations were donated through Mr. Jones personal digital wallet because FSS, as a business entity, could not be issued a digital wallet. Trustee also received this same information. However, in March 2023, under the direction of the CRO, FSS obtained its own digital wallet and Mr. Jones digital wallet is no longer utilized by FSS.

\$6,625,000 which was directly deposited into FSS bank account, Trustee has received documentation of a payment from Bitcoin Donations in the amount of \$344,043.00 which was used to pay prepetition professional fees for the former CRO of FSS.

Mr. Jones also asserts that Bitcoin Donations were also used to pay prepetition bonuses to certain employees of FSS. Counsel for Mr. Jones has agreed to provide documentation of these transactions to Trustee³ as well as other additional payments which benefitted FSS and could be offset against Bitcoin Donations that have not been remitted to FSS.

Additionally, counsel for FSS has indicated that, prior to FSS' bankruptcy filing, it was determined that the Bitcoin Donations were property of Mr. Jones individually, not FSS, and that any funds remitted by Mr. Jones back to FSS were intended as equity contributions. Trustee has not been provided with any documentation to substantiate how this decision was made or a basis for the same, other than the fact that the cryptocurrency was deposited into Mr. Jones' personal digital wallet which makes it his property. The current CRO was not employed by the estate at the time. The Trustee understands that the CRO has not made a determination as to ownership of these prepetition donations.

Last, Mr. Jones has indicated that \$390,900 of the Bitcoin Donations was used to acquire Platinum Product inventory sold on the FSS platform ("Platinum Product"). Documentation of the wire transfer for this transaction was provided to Trustee. A dispute exists as to whether Mr. Jones should receive credit for the \$390,900 payment for the inventory purchase.

Until recently, the Platinum Product was sold by FSS through a marketing agreement with Elevated Solutions Group ("ESG"). Platinum Product typically accounts for less 5% of FSS' weekly sales⁴. Upon information and belief, Mr. Jones and ESG were parties to a separate agreement related to the Platinum Product whereby Jones purchased inventory and ESG marketed the same. The CRO maintains that if the Bitcoin Donations are property of FSS, then Mr. Jones is not entitled to any credit for the \$390,900 inventory purchase because the funds used to purchase the product were property of FSS and FSS is entitled to the value of the inventory purchased with its funds. Conversely, if Mr. Jones personally owns the Bitcoin Donations, then no accounting is required to FSS for the use of these funds. The parties are in discussion about potential resolution of this matter. This issue remains open.

Mountain Way Marketing, LLC Update— Trustee previously reported that Mountain Way Marketing sold post-petition advertising on FSS' platform without compensating the company. The initial \$243,742.09 which was reported to have been collected has been repaid to FSS. However, Mountain Way's principal subsequently advised that he was paid an additional \$22,030.05 as a bonus in 2022⁵. This amount has not yet been repaid to FSS. The principal of Mountain Way has engaged counsel who is in discussions with counsel for FSS regarding the repayment. Additionally, counsel for FSS has issued a demand for payment to Mountain Way. This matter remains open.

³ Trustee has been advised that the bonuses were paid through direct transfers of Bitcoin to the recipient employees' digital wallets. Documentation from the cryptocurrency website was provided to Trustee but was indecipherable.

⁴ Based upon weekly sales reconciliations provided by FSS.

⁵ The initial documentation provided by Mountain Way was incomplete/inaccurate and did not reflect this payment.

[REDACTED]

[REDACTED]

⁶ See example of solicitations received by one customer attached hereto as Exhibit 1. The CRO has indicated that FSS has received numerous similar complaints.

Houston, TX

Dated: April 28, 2023

/s/ Elizabeth C. Freeman

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Counsel for Melissa Haselden, Subchapter V Trustee

CERTIFICATE OF SERVICE

I certify that on April 28, 2023 a true and correct copy of the above and foregoing was served via CM/ECF to all parties registered to receive electronic notice.

/s/ Elizabeth Freeman

Elizabeth Freeman

From: "Infowars Store Customer Service" <cshelpdesk@freespeechsystems.com>
To: [REDACTED]
Cc: it@infowars.com
Sent: Friday, March 17, 2023 1:58:23 PM
Subject: [#10653] Fwd: Fwd: Welcome to InfoWars, [REDACTED]

Hello!

Here is the other one he received!

How would you rate my reply?

[Great](#) [Okay](#) [Not Good](#)

Thank you,

[REDACTED]

Infowars Customer Support



[REDACTED]

Mar 17, 13:53

Sent from my iPhone

Begin forwarded message:

From: REAL Alex Jones <AJ@officialalexjones.com>
Date: March 16, 2023 at 8:13:39 AM PDT
To: [REDACTED]
Subject: Welcome to InfoWars, [REDACTED]



Hey [REDACTED]

This is AJ.

Welcome to InfoWars!

I'm honored that you've decided to place your trust in me.

I'm reaching out to you personally for two reasons...

First, your purchase should arrive at your doorstep within 7 to 14 business days from when you placed the order.

Our nutritional formulas and prepping gear are created to the highest quality standards.

In fact, one of the top labs in the USA produces our supplements, and they are triple tested to ensure potency and purity.

So again, I'm thrilled you've made a wise decision.

With that said...

This is what you can expect from my emails going forward:

As you know, I've been keeping an eye on the situation in our country.

The REAL situation.

I'm talking about the classified stuff our current administration does not want us to know.

Are they keeping us in the dark because they want to control us?

Or are they trying to prevent widespread panic?

That's why I created this exclusive Inner Circle - so I can share unfiltered and accurate news for my most loyal subscribers.

Because there's an onslaught of misinformation - spread by the media, the government, and companies who want to run the world into the ground.

And I REFUSE to stand for it.

As a subscriber to my exclusive Inner Circle, you'll be the first to know of threats to your American freedoms.

You'll discover little-known ways to prepare for upcoming catastrophes...

And I'll share breakthrough science on how to protect the health of your mind and body in a toxic world.

Plus a whole lot more.

If you'd prefer not to hear from me, you can hit the Unsubscribe button at the top or bottom of this message.

Basically, what I'm saying is, you're not alone anymore.

We are in this together.

Not just you and I...

But also the countless other men and women who follow the Info Wars movement.

That said, do you have any news topics or stories you'd like me to cover?

If so, I want to hear from you.

Reply to this email and let me know.

(I personally read every email from my subscribers).

Stay ready,
AJ

P.S. Oh... and one more thing.

Keep your eyes peeled for my upcoming emails. I've prepared something I think you'll enjoy.

Thanks again, and welcome.

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[Unsubscribe](#)

Enduring Patriots LLC 30 N Gould ST STE R, Sheridan, WY, US, 82801

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From: "Infowars Store Customer Service" <cshelpdesk@freespeechsystems.com>
To: [REDACTED]
Cc: it@infowars.com
Sent: Friday, March 17, 2023 1:57:37 PM
Subject: [#10652] Fwd: [SPAM]Fwd: USA going to war?

Hello!

Forwarding the email from the Customer!

How would you rate my reply?

[Great](#) [Okay](#) [Not Good](#)

Thank you,
[REDACTED]

Infowars Customer Support



[REDACTED]

Mar 17, 13:53

Sent from my iPhone

Begin forwarded message:

From: REAL Alex Jones <AJ@officialalexjones.com>
Date: March 16, 2023 at 9:01:25 PM PDT
To: [REDACTED]
Subject: USA going to war?



Hey [REDACTED]

Will there be a WW3?

It's a question on everyone's minds.

But you know what most folks don't realize?

The wars have already begun.

Yes - wars.

A war on your mind.

A war on your body.

And a war on your freedoms.

All perpetuated by organizations and officials
who'd rather make a quick buck than help
Americans.

It PISSES me off just thinking about it.

For example...

Did you know a chemical warfare agent was
just discovered inside a popular American
drink?

Or that China is buying farmland around US military bases?

Bet you didn't hear about those on CNN, huh?

Look - the cronies in charge don't know what they're doing, and more folks are going to end up in caskets if we don't stand up to this tyranny.

Frankly, I'm sick and tired of the lies.

So if you stick around, I'll tell you more about these new and deadly threats in my next emails.

You and your family deserve the truth, and that's exactly what you'll see with my Inner Circle newsletter.

But there's just one issue.

Those in power don't want you to know what's actually going on in this world.

So do me a favor?

Reply "yes" to this email so I know you got it.

That'll help make sure my messages go to your Inbox, so you don't miss any critical alerts.

Stay ready,

AJ

P.S. Tomorrow I'll tell you more about the chemical warfare agent that was just discovered in a popular drink. This one will shock you...

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